



Council of European Employers
of the Metal, Engineering and
Technology-based industries

**CEEMET response to the European Commission staff working document and consultation on
“Transnational company agreements: realising the potential of social dialogue”
(SWD (2012) 264 final)**

CEEMET is the European employers’ organisation for the metal, engineering and technology-based industries, representing 200 000 companies across Europe providing 13 million jobs directly. We have read the European Commission document on “Transnational company agreements: realising the potential of social dialogue” and would like to respond to the consultation as follows:

- CEEMET acknowledges that transnational company agreements and texts are signed by companies particularly in our industries and that these agreements/texts are used to address a multitude of issues that individual companies face. The companies that have signed these agreements/texts have largely had a positive experience doing so.
- Transnational company agreements are purely voluntary initiatives and there is no common understanding of a transnational company agreement. This lack of a common understanding is not an unintended consequence. The agreements that have been signed in Europe differ significantly from each other in terms of form and contents as they are adapted to each company’s specific situation and needs. The adaptability a transnational company agreement offers is regarded as a major advantage. At no point has it been found that companies are struggling in the absence of an EU level instrument. This was also apparent from the two year discussions in the Commission’s expert group on transnational company agreements, where CEEMET was represented.
- The Commission staff working document outlines perceived problems with transnational company agreements and suggests how these problems could be solved by European-level actions. However, so far, there is little evidence to suggest that there have been any problems surrounding these agreements in our sector, one of the main sectors signing transnational company agreements.
- **There is no evidence to justify the European Commission taking a policy-related interest on transnational company agreements.** The number of European multinationals in Europe who have signed any type of transnational company agreement is very low compared with those who have not. In addition, many transnational company agreements are international in scope and not only European. Therefore, we consider that transnational company agreements are not an issue for an EU-wide initiative.

However, an **exchange of experience** among companies with transnational company agreements could be useful to support those companies who are interested in these agreements in addition to Commission support in maintaining the existing **database**, which is a good tool.



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- **There is unwarranted focus on restructuring in the staff working document.** Some transnational company agreements do indeed cover restructuring, while a bigger portion of the agreements cover issues ranging from human rights to sustainable development.
- **Throughout the document, there are misleading parallels drawn between transnational company agreements and collective agreements.** It should be noted that there are significant differences between transnational company agreements and collective agreements. CEEMET has repeatedly brought up this issue in position papers (last on 20 October 2011) and during the discussions in the Commission's expert group. Collective agreements have to follow clearly defined legal rules according to each country's industrial relations system. An agreement cannot automatically be termed a collective agreement simply because it is signed by a company and an employee representative.
- Similarly, European social dialogue and transnational company agreements are also distinct from each other and should be kept separate. From the employers' side, transnational company agreements are individual company agreements and not agreements signed by European level social partners.
- Regarding legitimacy of signatories: signatories vary from company to company because transnational company agreements vary in purpose, scope and character. Different arrangements reflect differing needs. Setting a common standard regarding who should be signing what and when would indicate that those who are negotiating are not best placed to identify the right signatories to achieve the outcomes they want.
- Regarding implementation: according to the staff working document, the implementation of transnational company agreements through local company agreements is currently too complex. CEEMET does not consider there to be an alternative if the agreement is to have an effect at national level as they have to abide by the industrial relations systems. Respecting and recognising different industrial relations systems across Europe and beyond is absolutely paramount in this context.
- Regarding legal certainty: transnational company agreements can be made legally binding if the signatory parties so wish. The option to transpose these agreements at national and local level already exists and so far there have not been any difficulties reported. This is also the most straightforward solution as it does not necessitate yet another legal framework on top of already existing ones in the respective Member States.



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- Regarding prevention and settlement of disputes: there is no evidence that the settlement of disputes is an issue warranting attention at the EU level as regards transnational company agreements. This fact is also recognised in the staff working document, which concludes that “no party or person affected by a transnational company agreement seems to have brought a dispute before the courts or before an out-of-court dispute resolution body”.

On a final note: in view of the contents of the consultation and the European Commission’s particular interest in the views of social partners on this issue, it is surprising that a public consultation has been chosen for this purpose.